


FILED

JUL 18 2024 

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

1 Bryant Fu and Crystal Lei
2 337 28th Avenue
3 San Francisco, CA 94121

3 Tony Fu
4 5813 Geary Blvd., PMB 188
5 San Francisco, CA 94121

5 Plaintiffs and Creditors in Pro Se

6 UNITED STATES BANKRUPTCY COURT
7
8 NORTHERN DISTRICT OF CALIFORNIA
9
10 SAN FRANCISCO DIVISION

10 In re
11 Legal Recovery, LLC
12 Debtor.

Case No.: 24-30074

Chapter 11

**CREDITORS' MOTION FOR
RECONSIDERATION OF ORDERS
DISALLOWING CLAIMS NO. 4 AND 7**

Date: August 16, 2024

Time: 10:00 AM

Crtrm: Zoom or AT&T Conference

[Appearances by
Tele/Videoconference (AT&T/Zoom)]

Judge: Hon. Dennis Montali

Place: United States Bankruptcy Court
450 Golden Gate Ave., 16th Floor
San Francisco, CA

Dkt. Nos. 94, 96

20 Creditors BRYANT FU (“Bryant Fu”), CRYSTAL LEI (“Lei”) and TONY FU (“Tony
21 Fu”) (collectively referred to as the “Creditors”) hereby moves for an order reconsidering orders
22 disallowing claims number 4 and 7 pursuant to Federal Rules of Bankruptcy Procedure, Rule 3008
23 and 11 U.S.C. section 502(j). Creditors request for the defaults to be set aside and their claims to
24 be reinstated for the following reasons.

25 **MEMORANDUM OF POINTS AND AUTHORITIES**

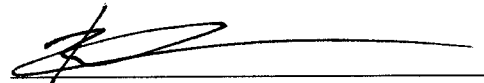
26 On May 20, 2024, Debtor filed objections to claims nos. 4 and 7 (“Objections”). The
27 Court’s docket nos. 57 and 60 show the text: “DEFECTIVE ENTRY: Notice of Hearing or
28 Opportunity for Hearing must be filed separately.” Creditors mistakenly believed that any

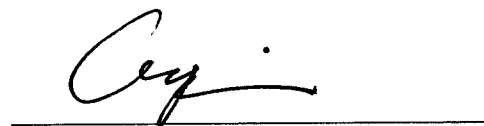
1 responsive deadline would only count from the date a separately filed notice is lodged with the
2 Court. (Declaration of Bryant Fu in support ["Fu Decl."] ¶ 2.) Because a separate notice was
3 never filed, Creditors made the mistake of not timely responding and amending the claim.¹ (Id.)
4 That was further compounded by Creditors not finding appropriate bankruptcy counsel. (Id.)
5 Creditors' error was not intentional and they will take further precautions to prevent any future
6 lapses. (Id.)

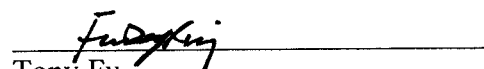
7 Creditors' claims are based on lawsuits pending in San Francisco Superior Court against
8 Debtor Legal Recovery, LLC ("Debtor") for fraudulent transfers facilitated by Debtor to hide
9 assets belonging to judgment debtors Demas Yan and Tina Yan. (Fu Decl., Exhs. A and B.) The
10 procedural error resulting in Creditors' default would allow Debtor to get away with defrauding
11 Creditors of recovery against it, and this substantially and unfairly prejudices Creditors. As
12 Debtor has not yet proposed a viable plan, there is no prejudice to the administration of this
13 bankruptcy. Therefore, Creditors request that the defaults be set aside and their proofs of claim
14 (nos. 4 & 7) be reinstated.

15 DATED: July 18, 2024

Respectfully submitted,

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18 Bryant Fu
19 Creditor in Pro Se

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22 Crystal Lei
23 Creditor in Pro Se

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26 Tony Fu
27 Creditor in Pro Se

28 ¹ Creditors filed amended proofs of claim on the morning of July 2, 2024 that substantially resolved the objections raised by Debtor. In the afternoon, the Court issued orders entering defaults and disallowing the claims (Dkt. Nos. 94 & 96.)